



SUMMARIES OF REVENUE & EXPENDITURES

ALL FUNDS SUMMARY REVENUES BY TYPE 2005-2008

SOURCES BY TYPE	2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
General property taxes	85,443,101	89,521,630	89,812,820	95,751,090	100,439,620
Motor vehicle tax	12,167,573	12,313,320	12,592,900	13,033,000	13,489,150
Local sales tax	45,180,965	47,003,880	46,996,040	48,405,920	49,858,100
Gas tax	15,391,164	15,829,670	15,852,900	16,328,480	16,818,340
Franchise fees	30,701,805	31,784,690	31,761,170	32,630,930	33,602,360
Water/Sewer utility fees	69,190,560	69,938,710	70,276,010	74,901,110	79,139,510
Other enterprise fees	7,350,603	9,245,150	9,220,230	9,396,820	9,472,280
Internal service revenues	48,345,489	53,872,800	53,302,860	56,234,030	60,453,940
Special assessments	26,462,294	28,039,640	28,438,830	32,245,130	33,116,960
Operating grants / shared revenues	8,924,900	6,403,650	6,653,590	6,904,080	7,149,000
Transient guest tax	5,063,526	4,719,560	4,916,990	5,015,330	5,115,640
Fines and penalties	8,666,249	9,297,070	9,089,770	9,027,180	9,088,550
Licenses and permits	6,586,719	7,609,220	7,256,380	7,537,360	7,713,960
Interest earnings	6,959,676	6,728,060	9,843,440	10,949,350	11,666,770
Charges for services and sales	19,429,066	23,333,050	22,217,860	23,871,420	23,437,600
Rental income	16,989,067	17,336,210	17,835,475	18,311,115	18,718,535
Administrative charges	5,108,160	3,783,310	4,138,520	4,145,790	4,154,200
Other revenues and transfers in	43,863,838	40,763,160	40,097,090	38,321,760	41,329,700
Grand total sources	461,824,756	477,522,780	480,302,875	503,009,895	524,764,215
Interfund transactions	87,093,474	90,513,170	90,222,330	90,397,320	97,579,040
Net annual budget sources	374,731,282	387,009,610	390,080,545	412,612,575	427,185,175

Note: Totals exclude appropriated fund balance reserves. Trust Funds and Enterprise Construction Funds are also excluded.



SUMMARIES OF REVENUE & EXPENDITURES

EXPENDITURES BY CATEGORY 2005-2008

EXPENDITURES BY CATEGORY	2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
110 Regular Salaries	111,298,758	123,087,360	122,990,220	127,734,720	132,866,720
120 Special Salaries	3,914,824	3,775,110	3,824,720	4,033,600	4,151,670
130 Overtime	3,974,672	2,470,980	2,449,120	2,480,780	2,518,430
140 Employee Benefits	34,012,988	39,318,020	40,752,740	44,216,790	48,637,170
150 Planned Savings	0	(4,166,890)	(4,550,770)	(6,172,570)	(8,170,210)
Personal Services	153,201,243	164,484,580	165,466,030	172,293,320	180,003,780
210 Utilities	14,374,030	14,752,330	14,997,980	15,218,220	14,468,340
220 Communications	1,795,930	1,791,400	1,860,300	1,881,260	1,796,860
230 Transportation and Training	651,780	922,770	917,360	888,940	660,020
240 Insurance	1,912,040	1,930,580	1,942,720	1,953,220	1,921,080
250 Professional Services	27,655,240	32,260,500	32,071,250	30,762,300	24,661,540
260 Data Processing	6,187,950	6,226,690	6,369,550	6,377,050	6,331,480
270 Equipment Charges	9,265,870	9,431,580	10,077,280	10,210,710	9,366,070
280 Buildings and Grounds Charges	1,712,730	1,690,180	1,776,430	1,720,590	1,745,990
290 Other Contractuals	5,508,640	5,496,000	5,216,060	4,911,130	5,236,810
Contractuals	64,396,842	69,064,210	74,502,030	75,228,930	73,923,420
310 Office Supplies	576,220	477,870	524,980	524,980	563,440
320 Clothing and Towels	802,890	825,030	858,230	865,910	831,900
330 Chemicals	2,872,150	2,899,440	2,973,160	3,032,080	2,790,970
340 Equipment Parts and Supplies	4,475,460	4,594,790	4,674,900	4,682,020	4,277,060
350 Materials	2,177,440	2,253,490	2,375,830	2,368,380	2,192,440
370 Building Parts and Materials	503,930	527,970	529,570	527,070	503,930
380 Non-capitalizable Equipment	2,447,970	2,716,680	2,686,290	2,583,280	2,452,420
390 Other Commodities	682,110	725,690	737,590	737,860	693,510
Commodities	13,385,840	14,538,170	15,020,960	15,360,550	15,321,580
410 Land	0	235,000	0	0	0
420 Buildings	407,060	414,060	654,060	127,560	117,060
430 Improvements Other Than Bldgs.	0	0	0	0	0
440 Office Equipment	259,080	338,570	180,500	105,000	194,690
450 Vehicular Equipment	1,565,870	2,069,480	1,054,670	1,383,500	617,170
460 Operating Equipment	2,495,160	2,341,740	2,137,660	2,179,350	2,471,440
Capital Outlay	5,188,194	4,727,170	5,398,850	4,026,890	3,795,410
510 Interfund Transfers	14,684,670	16,415,900	16,857,880	12,509,050	9,577,980
520 Debt Service	135,696,310	115,138,090	140,434,700	127,839,030	114,970,850
530 Other Nonoperating Expenses	42,473,650	13,717,520	41,771,710	11,657,940	11,724,880
540 Inventory Accounts	4,590,200	6,160,750	4,999,200	4,999,200	4,590,200
Other	112,162,429	197,444,830	151,432,260	204,063,490	157,005,220
Total Expenditures	348,334,549	450,258,960	411,820,130	470,973,180	430,049,410



SUMMARIES OF REVENUE & EXPENDITURES

EXPENDITURES BY FUND 2005-2008

EXPENDITURES BY FUND	2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
General	168,845,773	177,025,170	178,414,640	185,626,760	191,391,420
Debt Service	66,951,238	107,108,020	85,900,420	108,589,540	89,656,670
Total tax levy funds	235,797,011	284,133,190	264,315,060	294,216,300	281,048,090
Tourism & Convention Promotion	4,498,495	5,124,200	5,124,120	5,835,390	5,193,510
Downtown Trolley System	86,914	145,210	145,040	145,290	145,970
Special Alcohol Programs	1,561,249	1,635,980	1,804,410	1,669,410	1,654,410
Special Parks & Recreation	1,415,000	1,481,000	1,481,000	1,695,000	1,720,000
Ice Rink Management	1,145,249	956,190	1,046,410	1,087,620	1,095,320
Landfill	676,783	4,062,270	1,199,600	4,500,320	700,860
Landfill Post Closure	3,798,445	23,601,910	6,827,940	19,632,670	1,837,990
Central Inspection	5,276,232	5,509,770	5,809,960	6,060,050	6,174,670
Economic Development	4,187,378	1,787,110	4,515,200	2,845,590	2,841,070
Sales Tax Construction Pledge	22,636,665	28,643,890	28,643,890	26,002,540	25,228,890
Property Management Operations	857,902	1,861,740	1,764,540	1,638,950	1,114,800
State Office Building Complex	1,029,022	1,341,750	1,227,950	1,483,860	1,040,690
TIF Districts	4,398,129	13,973,160	8,318,140	15,480,450	7,765,740
SSMID	591,150	614,790	600,410	613,690	626,280
City/County Joint Operations	2,872,376	3,310,420	3,310,420	3,424,170	3,507,030
Art Museum Board	1,320,914	1,282,460	1,282,460	1,282,460	1,282,460
Cemetery Fund	21,870	29,400	29,400	29,400	29,400
Total special revenue funds	56,373,772	95,361,250	73,130,890	93,426,860	61,959,090
Airport	14,275,060	15,864,110	16,396,240	16,908,560	17,163,340
Golf Course Operations	3,718,551	5,060,320	5,301,460	5,086,460	5,172,090
Transit	5,363,320	5,458,530	5,428,630	5,379,870	5,588,390
Sewer Utility Operations	29,473,591	32,341,100	32,694,630	35,032,680	38,973,870
Water Utility Operations	36,641,575	42,531,380	44,719,870	47,024,310	50,667,040
Storm Water Management	5,583,289	8,810,810	7,539,690	9,817,640	8,043,300
Total enterprise funds	95,055,385	110,066,250	112,080,520	119,249,520	125,608,030
Information Technology	7,301,381	9,142,600	8,758,010	8,929,210	8,365,970
Equipment Motor Pool	11,631,856	13,563,820	12,759,880	14,757,790	12,817,320
Stationery Stores	864,548	1,130,550	974,850	1,169,950	975,050
Self Insurance	31,960,684	34,912,380	34,312,120	36,588,500	40,350,490
Total internal service funds	51,758,469	58,749,350	56,804,860	61,445,450	62,508,830
Gross expenditures	438,984,637	548,310,040	506,331,330	568,338,130	531,124,040
Interfund transactions	90,650,088	98,051,080	94,511,200	97,364,950	101,074,630
Net annual budget uses	348,334,549	450,258,960	411,820,130	470,973,180	430,049,410

Note: Totals do not include appropriated fund balance reserve. Trust Funds and Enterprise Construction Funds are also excluded.



SUMMARIES OF REVENUE & EXPENDITURES

GENERAL FUND MULTI-YEAR OVERVIEW

BUDGETED OPERATING REVENUE:	2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
General property taxes	54,046,361	56,591,740	56,739,070	60,399,020	63,555,320
Special assessments	7,633	29,350	29,350	29,350	29,350
Franchise fees	30,701,805	31,784,690	31,761,170	32,630,930	33,602,360
Motor vehicle tax	8,329,756	8,347,930	8,621,300	8,923,050	9,235,360
Local sales tax	22,590,513	23,501,940	23,501,940	24,207,000	24,933,210
Intergovernmental					
Gasoline tax					
State-shared revenues	15,391,664	15,829,670	15,852,900	16,328,480	16,818,160
Licenses and permits	1,547,538	1,695,510	1,792,890	1,857,920	1,925,750
Fines and penalties	1,827,977	2,476,500	2,020,910	2,121,910	2,122,910
Court	0	0	0	0	0
Other	8,304,887	8,616,430	8,483,690	8,541,870	8,603,240
Rental income	361,352	680,640	606,080	485,310	485,310
Interest earnings	2,217,382	2,835,080	2,421,100	2,651,310	2,775,260
Charges for services and sales	3,825,399	3,378,800	4,250,000	4,750,000	4,750,000
Administrative charges	7,693,087	8,549,280	7,898,630	8,537,140	8,021,310
Transfers from other funds	5,108,160	3,783,310	4,138,520	4,145,790	4,154,200
Reimbursed expenditures	6,399,595	7,421,640	8,955,230	8,185,520	8,516,380
Total budgeted operating revenues	169,713,622	177,025,170	178,414,640	185,626,760	191,391,420
Budgeted operating expenditures:					
Personal services	116,800,165	124,384,590	125,073,520	129,794,860	135,145,150
Contractuals	34,543,031	36,837,740	37,290,460	39,051,430	39,677,910
Commodities	5,913,275	5,976,580	5,944,720	6,086,170	6,077,730
Capital outlay	618,294	1,149,930	1,430,390	658,440	595,400
Other	10,971,009	8,676,330	8,675,550	10,035,860	9,895,230
Total budgeted operating expenditures	168,845,778	177,025,170	178,414,640	185,626,760	191,391,420
Subtotal budgeted operating revenues over (under) budgeted operating expenditures	867,844	0	0	0	0
Unencumbered cash/fund balance as of January 1	21,999,671	21,999,671	22,867,515	22,867,521	22,867,521
Total unencumbered cash/fund balance as of December 31					
Appropriated reserve	11,555,115	12,522,298	11,132,828	12,939,222	12,664,715
Unappropriated reserve	11,312,404	9,477,373	11,734,693	9,928,299	10,202,807
<i>Unencumbered cash as a percentage of expenditures</i>	<i>13.5%</i>	<i>12.4%</i>	<i>12.8%</i>	<i>12.3%</i>	<i>11.9%</i>
One mill of assessed value	2,458,947 3.54%	2,673,855 5.02%	2,668,036 4.80%	2,838,612 6.39%	2,991,900 5.4%
General Fund mill levy	21.876	21.876	21.876	21.898	21.898
Debt Service Fund mill levy	<u>10.022</u>	<u>10.000</u>	<u>10.022</u>	<u>10.000</u>	<u>10.000</u>
Total mill levy	31.898	31.898	31.898	31.898	31.898
General Fund (excluding delinquency)	52,172,643	54,863,020	54,889,070	58,449,020	61,605,320
Debt Service Fund (excluding delinquency)	<u>24,281,476</u>	<u>25,134,240</u>	<u>25,079,540</u>	<u>26,682,960</u>	<u>28,123,860</u>
Total property tax (excluding delinquency)	76,454,119	79,997,260	79,968,610	85,131,980	89,729,180



SUMMARIES OF REVENUE & EXPENDITURES

2009 PROJECTED	2010 PROJECTED	2011 PROJECTED
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65,539,710	67,316,210	69,572,210
29,350	29,350	29,350
34,409,990	35,247,050	36,114,100
9,512,420	9,797,790	10,091,720
25,681,210	26,451,650	27,245,200

17,238,800	17,669,770	18,111,510
2,188,610	2,451,990	2,716,160
2,165,410	2,208,720	2,252,900
0	0	0
8,775,310	8,950,830	9,129,840
495,010	504,910	515,010
2,858,520	2,944,270	3,032,610
4,750,000	4,750,000	4,750,000
8,101,550	8,182,580	8,264,420
4,237,270	4,322,050	4,408,510
8,771,870	9,035,030	9,306,080
1,863,300	1,863,300	1,863,300

196,618,330	201,725,500	207,402,920
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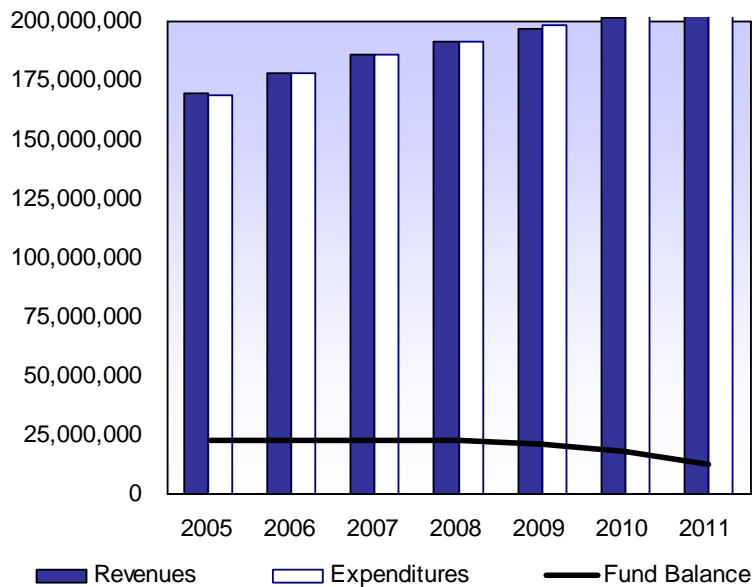
140,897,590	146,959,130	153,351,390
40,377,930	41,091,940	41,820,230
6,199,280	6,323,290	6,449,730
607,310	619,460	631,850
10,093,140	10,295,000	10,500,910

198,175,250	205,288,820	212,754,110
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(1,556,920)	(3,563,320)	(5,351,190)
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22,867,521	21,310,601	17,747,281
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**General Fund Revenues and
Expenditures
2005 - 2011**



10,858,894	7,126,515	1,674,653
10,451,707	10,620,767	10,721,438
10.8%	8.6%	5.8%
3,141,500	3,298,580	3,463,510
5.00%	5.00%	5.00%
21.898	21.898	21.898
10.000	10.000	10.000
31.898	31.898	31.898
64,685,680	67,920,070	71,316,100
29,530,100	31,006,650	32,556,990
94,215,780	98,926,720	103,873,090



SUMMARIES OF REVENUE & EXPENDITURES

GENERAL FUND ASSUMPTIONS

REVENUE ASSUMPTIONS:

REVENUES (OVERALL) ...

- ❑ will grow 5.1% in the current year, due to strong growth in the assessed valuation of property, steady growth in the other major revenue sources (local sales tax, franchise fees, and the motor fuel tax), and one-time "windfalls" to the General Fund;
- ❑ will grow 4.0% in 2007, 3.1% in 2008, and 2.6% through the remainder of the planning period (2009-2011).
- ❑ are affected in the out years by moderating growth in assessed valuation, an assumed rate increase for electric rates (affecting franchise fees), moderate/normative growth in most other operating revenues, and the absence of any significant one-time sources.
- ❑ Are affected in the out years by the impact of 2006 HB 2883, which is projected to materially impact property tax revenues beginning in 2009.

CURRENT PROPERTY TAXES ...

- ❑ represent more than 30% of total General Fund revenues. As recently as 1996, only 25% of GF revenue was derived from the current year property tax.
- ❑ will grow 5% in 2006 (approximately \$2.6 million).
- ❑ will grow 6.4% in 2007, 5.4% in 2008 and 5% annually thereafter. No change in the taxing rate is assumed.
- ❑ have, until recent years, benefited from aggressive annexation activity. From 2000 to 2002, annexation activity accounted for 1.5%, 1.9%, and 1.4% of annual assessed valuation growth, respectively. It has accounted for 0% in each of the past two years. County growth rates are more indicative of true growth patterns (exclusive of annexation activity).
- ❑ relate directly to assessed valuation, which reflects the following historical budget year growth rates:

Year	City	County
1997	3.8%	4.1%
1998	4.5%	6.0%
1999	4.9%	5.1%
2000	8.0%	6.0%
2001	9.5%	7.3%
2002	5.4%	5.1%
2003	4.2%	3.7%
2004	7.8%	7.9%
2005	3.5%	4.0%
2006	5.0%	5.0%
10 yr avg	5.6%	5.4%

Prior to 1998, growth had not exceeded 4% for at least ten years. The growth in the last decade has reflected strong demand for housing and commercial real estate and has been the product of historically low mortgage rates and

strong appreciation of real estate assets. The 2008 forecasted rate of assessed valuation growth is 5.4%, equal to the average of the past five years;

- ❑ slightly below the experience of the past decade, but reflective of increased level of interest rates as well as a significant decrease in annexation activity.
- ❑ includes a reduction of \$220,910 in 2008 as the estimated impact of 2006 HB 2883, which reduces the City's assessed valuation of machinery and equipment. The bill provides that all new equipment purchased is exempt from property taxation. The impact in 2008 is offset somewhat by mitigation efforts included in the bill. The impact of 2006 HB 2883 on property taxes during the planning period (net of the effect of the "slider" provision of the bill) is estimated at \$1,095,880 in 2009, \$2,253,660 in 2010 and \$3,696,010 in 2011.

FRANCHISE FEES ...

- ❑ for utilities as a group are projected to increase 3.5% in the current year, 2.7% in 2007, 3.0% in 2008 and an annual average rate of 2.4% through the remainder of the planning period (2009-2011). The actual annual growth rate since 1997 has been 2.7%, although growth in this period was substantially impacted by a 17% reduction in electric rates.
- ❑ assumes electric franchise fee revenue will increase 3.2% in the current year, based on year-to-date collections and recent climatic conditions. Electric franchise fees account for 45% of the total franchise fees collected.
- ❑ assume cable receipts will increase 3.0% annually through the planning period.
- ❑ continue to experience substantial declines in SW Bell franchise fees due to the growing ubiquity of cell phones. This decline is offset somewhat by fees collected from other communication providers; however, the net effect is an anticipated decrease in franchise fees from communication providers of 1.5% in 2006 and 2.5% in 2007 – 2011.
- ❑ include strong revenue from the Water and Sewer utilities, based on sales demand. In addition, the mixture of demand is anticipated to change, with a decrease in residential demand in 2007.

MOTOR VEHICLE PROPERTY TAXES ...

- ❑ are extremely difficult to forecast due to highly irregular and abnormal distribution patterns.
- ❑ are principally determined by the level and type of vehicle sales, which have been buoyed in the past by significant dealer incentives, including low interest rates, significant pricing discounts and rebates.



SUMMARIES OF REVENUE & EXPENDITURES

- ❑ could be affected significantly by prolonged high gasoline prices. This effect could include increased purchases of more efficient vehicles, and an offsetting reduction in larger, more expensive SUV's. In addition, it is possible that higher gasoline prices could diminish spending on durables, such as vehicles, reducing Motor Vehicle receipts.
- ❑ have historically grown at 3.1% annually (1997 to 2005).
- ❑ are assumed to grow an average of 3.5% annually from 2006 – 2008, and at a more moderate rate of 3% from 2009 - 2011.

LOCAL SALES TAXES ...

- ❑ were only 1% greater in 2005 than in 2004. However, that appears reflective of state distributions at year-end that were pushed into calendar year 2005.
- ❑ are expected to grow 4% in 2006; reflectively of timing differences in state distributions from calendar year 2005 (first quarter sales tax receipts are approximately 5% higher than a year ago). Longer term, sale tax receipts are expected to moderate to a long term growth rate of 3%.
- ❑ are not anticipated to be materially impacted by higher gasoline prices. However, it is possible that a prolonged period of higher gasoline prices could reduce other consumer spending, reducing sales tax collections. This impact could be as much as 2% or 3%, given the percentage of disposable income that gasoline takes up.

GAS TAX REVENUES ...

- ❑ are volume based on wholesale gallons sold. High prices over the last two years would have been expected to lower the quantity sold (hence tax receipts). However, in actual experience, growth has been relatively strong in 2004 (3.5%) and 2005 (4.1%). This suggests a high degree of inelasticity in demand of gasoline (and hence tax receipts). Whether this demand remains inelastic if prices continue to increase remains to be seen.
- ❑ in the current year, revenue is expected to increase 3%, based primarily on collections to date. The long-term forecast assumes 3% annual growth, consistent with historical trends.

STATE-SHARED REVENUES ...

- ❑ based on the passage of 2006 HB 2583, LATVR transfers are budgeted to begin in 2009. This amount is projected to be \$185,110 in 2009, \$367,520 in 2010 and \$547,360 in 2011.
- ❑ continue to include the 1/3 alcohol tax distribution and LINK and KLINK payments for the shared maintenance responsibility of state roads and highways.
- ❑ are projected to increase 16% in the current year (due to an decrease in KLINK receipts in 2005) and 3.6% in 2007 and 2008.

FINES AND PENALTIES...

- ❑ include two components – Other, which is primarily from the Library (about 5% of total fines and penalties), and Court (about 95%).
- ❑ have been aided by increasingly aggressive Library collections policies – including lowering the threshold amount – from \$40 to \$25 – that triggers when delinquent accounts are referred to the collection agency.
- ❑ are projected to increase 3.9% in the current year, based on additional Library collection efforts. Growth is estimated at -.4% in 2007, then approximately 2% annually thereafter.

LICENSES AND PERMITS ...

- ❑ appear to be increasing 11% in 2006. However, several license fees (most notably dog licenses) are expected to be increased in 2006.
- ❑ are continually monitored to identify areas where increasing enforcement costs require offsetting rate adjustments.

CURRENT SALES AND SERVICES ...

- ❑ fluctuate annually due primarily to engineering overhead reimbursements from capital projects – these reimbursements are based on prior year expenditures and tend to vary, particularly in 2007 when the cost of new vehicles purchased in 2006 is recovered.

ADMINISTRATIVE CHARGES ...

- ❑ are reviewed by an external accounting firm and revised annually during budget development.
- ❑ includes \$675,000 annually to be received from assessing administrative charges to capital projects
- ❑ were inflated in 2005, due to one-time administrative charges assessed to capital projects for prior years.

TRANSFERS IN ...

- ❑ are reviewed during the budget process and many items are adjusted to reflect changes in costs.
- ❑ include transfers from enterprise operations to recognize and offset the costs of providing public safety services.
- ❑ includes an annual transfer from the Landfill Post Closure Fund. As the remediation liability reduces, the reserve resources for that contingency are moved to the General Fund.
- ❑ includes a transfer from the Property Management Fund (\$473,820) in 2006 to “repay” the General Fund for resources initially provided to establish the PM Fund, before property acquisition resources were sufficient to make it a self-supporting operation.



SUMMARIES OF REVENUE & EXPENDITURES

- ❑ Includes a one-time transfer from the Pension Reserve Fund to offset in 2006 the increased cost of Police and Fire pension costs. The actuarial rate assessed for these costs increased from 14% in 2005 to 18.4% in 2006. This higher rate has been included in the revised budget and absorbed in 2007 and beyond. However, for 2006, consistent with Council action on May 2, 2006, an amount of up to the equivalent of 4.4% of the P&F pension base will be transferred from the Pension Reserve Fund to the General Fund, reduced by any underexpenditures in the Police and Fire General Fund budgets.

INTEREST EARNINGS ...

- ❑ are improving dramatically, based on the 15 interest rate increases by the Federal Reserve over the last 18 months.
- ❑ will increase 11.1% in 2006 and 11.8% in 2007, before leveling out.
- ❑ includes the Pooled Investment Management (PIM) charge, which is assessed to other funds benefiting from the investment program.
- ❑ Are largely dependant upon market rates for investments which are permitted under the City's Investment Policy, as well as the size of the pool of investment funds.

RENTAL INCOME ...

- ❑ is derived mostly (54%) from Century II and Expo Hall.
- ❑ includes \$50,000 beginning in 2006 and \$100,000 annually thereafter, from the sand mining lease at Kingsbury.

REIMBURSEMENTS ...

- ❑ include \$284,500 from USD 259 in the current year to offset costs for 10 (of the 22 total) School Resource Officers. In 2007, the budget assumes a reimbursement of \$672,540 for 50% of the cost of the SRO program. For 2008, a BOE contribution of \$699,990 is projected. This is projected to fund 16 SRO's in 2007.
- ❑ assumes project balances from completed projects will be closed to the General Fund in 2006 sufficient to provide \$650,000. From 2007 – 2011, transfers of \$250,000 are anticipated.
- ❑ Includes \$100,000 reimbursement from the City of Eastborough for Fire services.



SUMMARIES OF REVENUE & EXPENDITURES

EXPENDITURE ASSUMPTIONS:

EXPENDITURES (OVERALL) ...

- ❑ increase 5.7% in the current year, 4% in 2007 and 3.1% in 2008.
- ❑ increase at a rate greater than the rate of increase for revenues beginning in 2009.
- ❑ are most impacted by growth-driven service requirements and personal services increases for wages and employee benefits.
- ❑ assume matching support for a grant to add 24 new Firefighters in 2007. These assumptions are in harmony with approved capital projects in the Capital Improvement Program (CIP). Failure to secure a Fire SAFER grant will require reprioritizing expenditures in 2007 in order to provide staffing for a new stations.

PERSONAL SERVICES ...

- ❑ represent 70% of General Fund expenditures (2007).
- ❑ assume 4.6% average annual increases between 2006 and 2011, including all personal service items, such as base wages and wage-driven benefits (pension, social security, and workers comp), health and life insurance, specialty pay, overtime..
- ❑ assume an 15% increase in health insurance costs for 2008. Assumptions beyond 2008 are estimated at 10% annually. Cost containment strategies currently under consideration will likely impact this assumption.

OPERATING TRANSFERS OUT ...

- ❑ are mostly subsidies or contributions to support operating functions residing in other funds, such as the joint City-County operations, the Economic Development effort, Transit, Tort liability, and Art Museum.
- ❑ include an on-going annual subsidy of \$1,000,000 to the Economic Development Fund.

ALL OTHER OPERATING EXPENDITURES ...

- ❑ increase 8.7% in 2007 and 2.5% in 2008, primarily due to adjustments in vehicle lease rates due to increases in fuel prices.
- ❑ are projected to increase overall at an average annual rate of 1.7% from 2008– 2011.

FUND BALANCE (DECEMBER 31) ...

- ❑ based on the assumptions shown above, will be at 12.8% of annual expenditures in 2006, 12.3% (2007), 11.9% (2008). Council policy has established 10% as the minimum level of General Fund reserves. Remediation action will be taken to avoid drawing down reserves below minimally acceptable levels.
- ❑ are projected to be significantly reduced beginning in 2009. This anticipated decline is due primarily to the estimated fiscal impact of 2006 HB 2883, which will materially impact property tax revenues beginning in 2009.



SUMMARIES OF REVENUE & EXPENDITURES

FUND SUMMARIES 2005-2008

FUND		2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
Special Revenue Funds						
Tourism and Convention Promotion	Revenues	5,128,459	4,737,520	4,957,990	5,058,330	5,160,640
	Expenditures	4,498,496	5,124,200	5,124,120	5,835,390	5,193,510
	Year-End Balance	1,235,729	256,265	1,069,600	292,540	259,669
Downtown Trolley System	Revenues	78,950	143,440	143,440	143,440	143,440
	Expenditures	86,914	145,210	145,040	145,290	145,480
	Year-End Balance	13,697	6,961	12,097	5,247	3,207
Special Alcohol Program	Revenues	1,469,209	1,451,150	1,522,320	1,587,350	1,655,180
	Expenditures	1,561,249	1,635,980	1,804,410	1,669,410	1,654,410
	Year-End Balance	369,041	81,001	86,951	4,891	5,661
Special Parks and Recreation	Revenues	1,452,541	1,446,150	1,517,320	1,582,350	1,650,180
	Expenditures	1,415,000	1,481,000	1,481,000	1,695,000	1,720,000
	Year-End Balance	152,774	73,883	189,094	76,444	6,624
Ice Rink Management	Revenues	1,059,349	956,190	1,148,700	1,148,700	1,148,700
	Expenditures	1,145,249	956,190	1,046,410	1,087,620	1,095,320
	Year-End Balance	16,250	16,250	48,540	44,620	98,000
Landfill	Revenues	486,734	537,840	544,400	562,540	605,070
	Expenditures	676,783	4,062,270	1,199,600	4,500,320	700,860
	Year-End Balance	4,724,571	108,349	4,069,371	131,591	35,801
Landfill Post Closure	Revenues	591,307	595,980	744,330	899,050	1,102,840
	Expenditures	3,798,445	23,601,910	6,827,940	19,632,670	1,837,990
	Year-End Balance	25,715,719	1,027,147	19,632,109	898,489	163,229
Central Inspection	Revenues	5,468,192	5,855,880	5,774,480	6,008,050	6,188,200
	Expenditures	5,276,232	5,509,770	5,809,960	7,160,050	6,174,670
	Year-End Balance	1,268,332	220,373	1,232,852	80,852	94,382
Economic Development	Revenues	3,318,134	1,627,500	5,090,000	1,625,000	1,785,000
	Expenditures	3,385,483	1,740,690	5,570,580	1,787,100	1,803,450
	Year-End Balance	819,598	124,737	339,018	176,918	158,468
Sales Tax Construction Pledge	Revenues	22,709,086	23,682,920	23,691,860	24,446,120	25,221,530
	Expenditures	22,636,665	28,643,890	28,643,890	26,002,540	25,228,890
	Year-End Balance	6,517,658	1,737	1,565,628	9,208	1,848
Property management	Revenues	947,065	951,480	951,480	1,014,680	1,037,180
	Expenditures	857,902	1,861,740	1,764,540	1,638,950	1,114,800
	Year-End Balance	1,515,176	83,663	702,116	77,846	226
State Office Building	Revenues	1,038,826	990,730	1,003,160	1,008,150	1,014,370
	Expenditures	1,029,023	1,341,750	1,227,950	1,483,860	1,040,690
	Year-End Balance	743,317	63,044	518,527	42,817	16,497



SUMMARIES OF REVENUE & EXPENDITURES

FUND		2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
Gilbert & Mosley TIF	Revenues	3,946,260	3,040,040	3,001,540	3,065,040	3,070,040
	Expenditures	1,876,534	6,361,190	3,675,130	6,617,290	3,205,650
	Year-End Balance	4,522,406	218,100	3,848,816	296,566	160,956
North Industrial Corridor TIF	Revenues	1,363,443	1,207,300	1,265,300	1,275,300	1,275,300
	Expenditures	88,236	3,884,090	1,942,740	4,780,540	1,276,210
	Year-End Balance	44,187,543	96	3,510,103	4,863	3,953
East Bank TIF	Revenues	527,405	579,420	618,100	886,850	889,980
	Expenditures	1,010,400	590,350	590,350	969,690	895,990
	Year-End Balance	62,574	29,108	90,324	7,484	1,474
Old Town TIF	Revenues	546,527	690,650	725,870	777,720	791,160
	Expenditures	72,235	1,810,640	1,110,640	1,568,930	828,410
	Year-End Balance	1,224,764	2,762	839,994	48,784	11,534
21 st and Grove TIF	Revenues	66,223	20,270	107,910	108,220	108,600
	Expenditures	66,223	20,300	20,200	196,000	108,000
	Year-End Balance	99	69	87,809	29	629
Central and Hillside TIF	Revenues	813,897	983,520	880,620	883,330	886,720
	Expenditures	813,500	983,520	881,000	883,000	887,000
	Year-End Balance	543	147	163	493	213
Old Town Cinema TIF	Revenues	471,087	323,080	325,480	462,660	463,740
	Expenditures	471,000	323,080	323,080	465,000	464,000
	Year-End Balance	339	2	2,739	309	139
SSMID	Revenues	576,960	614,790	600,410	613,690	626,280
	Expenditures	591,150	614,790	600,410	613,690	626,280
	Year-End Balance	13,425	27,615	13,425	13,425	13,425
City/County Operations	Revenues	2,872,376	3,310,420	3,310,420	3,424,170	3,507,030
	Expenditures	2,872,376	3,310,420	3,310,420	3,424,170	3,507,030
	Year-End Balance	0	0	0	0	0
Art Museum Board	Revenues	1,282,830	1,282,460	1,282,460	1,282,460	1,282,460
	Expenditures	1,320,914	1,282,460	1,282,460	1,282,460	1,282,460
	Year-End Balance	12,554	10,638	12,554	12,554	12,554
Cemetery	Revenues	32,840	37,000	37,000	37,000	37,000
	Expenditures	21,870	29,400	29,400	29,400	29,400
	Year-End Balance	838,495	842,725	846,095	853,695	861,295
Enterprise Funds						
Airport	Revenues	19,058,890	19,983,650	20,054,550	20,273,895	20,552,365
	Expenditures	14,275,060	15,864,110	16,396,240	16,908,560	17,163,340
	Year-End Net Assets	139,891,628	108,287,630	137,759,968	135,343,333	132,931,388



SUMMARIES OF REVENUE & EXPENDITURES

FUND		2005 ACTUAL	2006 ADOPTED	2006 REVISED	2007 PROPOSED	2008 PROJECTED
Golf	Revenues	3,604,833	4,770,550	4,807,260	5,121,030	5,199,270
	Expenditures	3,718,551	5,060,320	5,301,460	5,086,460	5,172,090
	Year-End Net Assets					
Transit	Revenues	4,893,944	5,102,870	5,102,870	5,276,670	5,282,620
	Expenditures	5,363,134	5,458,530	5,428,630	5,379,870	5,588,390
	Year-End Net Assets	1,039,003	1,036,976	713,243	601,043	295,276
Sewer Utility	Revenues	30,362,046	31,223,210	31,290,120	34,037,290	36,164,210
	Expenditures	29,473,591	32,341,100	32,694,630	35,032,680	38,973,870
	Year-End Net Assets	215,150,656	213,595,343	212,423,156	210,623,796	208,653,916
Water Utility	Revenues	39,968,098	41,417,180	42,874,550	45,180,850	47,642,330
	Expenditures	36,641,575	42,531,380	44,719,870	47,024,310	50,667,040
	Year-End Net Assets	277,666,987	276,787,350	277,779,057	277,592,987	277,507,127
Storm Water Utility	Revenues	7,046,081	6,572,780	6,790,380	7,849,530	8,051,660
	Expenditures	5,583,289	8,810,810	7,539,690	9,817,640	8,043,300
	Year-End Net Assets	93,500,999	71,386,207	93,805,629	91,199,189	91,228,409
Internal Service Funds						
Information Technology	Revenues	7,896,510	7,990,200	7,973,960	7,993,030	8,003,030
	Expenditures	7,301,381	9,142,600	8,758,010	8,929,210	8,365,970
	Year-End Net Assets	3,695,057	2,086,429	3,125,847	2,104,667	1,626,727
Equipment Motor Pool	Revenues	10,976,867	10,863,820	11,790,290	12,460,160	12,808,180
	Expenditures	11,631,856	13,536,820	12,759,880	14,757,790	12,817,320
	Year-End Net Assets	15,120,834	12,953,873	14,893,724	13,852,574	15,120,604
Stationery Stores	Revenues	871,698	975,000	975,000	975,000	975,000
	Expenditures	864,548	1,130,550	974,850	1,169,950	975,050
	Year-End Net Assets	318,471	47,849	318,621	53,671	53,621
Self Insurance	Revenues	28,883,206	34,043,780	32,613,610	34,950,270	38,822,160
	Expenditures	31,960,684	34,912,380	34,312,120	36,588,500	40,350,490
	Year-End Net Assets	12,034,605	11,840,284	10,301,105	8,627,885	7,064,565

Note: Trust Funds and Enterprise Construction Funds are excluded

OTHER FUNDS' ASSUMPTIONS

TOURISM AND CONVENTION PROMOTION...

- ❑ Guest Tax revenues are expected to increase 1.76% annually, not including taxes related to special events.
- ❑ Expenditures fund operations of the Convention & Visitors Bureau and improvements to local cultural attractions.
- ❑ Stop loss provisions for Century II and Expo Hall are included.
- ❑ The target fund balance of 5% of annual expenditures is maintained throughout the budgeting period.

DOWNTOWN TROLLEY SYSTEM...

- ❑ Revenues are received from tours, charter services and advertising, and are expected to increase 11.68% in 2005, then plateau in the out years.
- ❑ Expenditures are projected to be stable but higher than revenues. Fund balance is projected to decline.



SUMMARIES OF REVENUE & EXPENDITURES

SPECIAL ALCOHOL/SPECIAL PARKS AND RECREATION PROGRAMS...

- ❑ Tax distributions are anticipated to increase 2.5% in 2005.
- ❑ Special Alcohol Fund expenditures are used for substance abuse counseling and treatment programs. Special Parks and Recreation funds pay for recreational programs.
- ❑ Fund balances are maintained due to potential fluctuations in tax revenues.

ICE RINK MANAGEMENT...

- ❑ The City collects revenue from the operation of the Wichita Ice Center and pays a contracted operator for expenses incurred and management fees.
- ❑ Park and Recreation are interim operators of the facility until new management can be secured.
- ❑ The fund balance drops to zero in 2006 due to the liquidation of the receivables balance.

LANDFILL...

- ❑ User fee revenues are expected to grow 0.5% annually.
- ❑ Interest earnings are calculated at 2%, 3% and 4% in 2005, 2006 and 2007, respectively.
- ❑ Expenditures for routine operations will remain constant. The fund balance is stable.
- ❑ Closed out unspent tipping fee set-aside in 2004, increasing fund balance by approximately \$200,000.

LANDFILL POST CLOSURE...

- ❑ Revenues are almost wholly dependent upon interest rates, which are calculated identically to the Landfill Fund.
- ❑ Expenditures fund post closure maintenance of the landfill and are projected to increase 2% per year.
- ❑ Fund balance is maintained at the level required by the Kansas Department of Health and Environment.
- ❑ The City is required to maintain funds for post closure care through 2033.

CENTRAL INSPECTION...

- ❑ An agreement with the local builders association requires the City to maintain fund balance at 3 - 4 months of operating expenses. Rates are reviewed and adjusted as required to fulfill the terms of the agreement.
- ❑ Expenditures are expected to grow about 5% per year due to increases in wages and health insurance costs.
- ❑ New revenue sources will add a degree of diversity to the fund.

ECONOMIC DEVELOPMENT...

- ❑ Revenues from Industrial Revenue Bonds service fees are expected to be consistent through the budgeting period. Transfers to the Fund are for economic incentives and are subject to change annually based on incentive payment levels.
- ❑ Expenditures and fund balances are stable. Any changes are likely to be due to varying levels of incentives.

SALES TAX CONSTRUCTION PLEDGE...

- ❑ Growth in sales tax collections is estimated at 2.2% annually through the planning period.
- ❑ Expenditures pay for debt service on freeway projects and cash funding of street projects. Expenditures and fund balance may vary based on construction activity.
- ❑ Fund balance is stable. Payment for street projects could be shifted to other sources if necessary to maintain fund balance.

PROPERTY MANAGEMENT OPERATIONS...

- ❑ Revenues will decrease due to reduction in interest earnings. Fund balance will draw down to repay monies "loaned" from the General Fund.
- ❑ Except for fund transfers, expenditures are stable.

STATE OFFICE BUILDING...

- ❑ Revenues are based upon State reimbursement of City expenses to operate and maintain the leased office space.
- ❑ Revenues and expenditures are consistent through the planning period.
- ❑ Fund balance is maintained primarily for cash-flow purposes.

TAX INCREMENT FINANCING (TIF) DISTRICTS...

- ❑ Seven TIF Districts currently have expenditure or operating obligations. Two of the TIFs are for environmental remediation, and five TIFs were created for economic development purposes.
- ❑ Revenues are expected to increase in five of the seven Districts as reimbursements are received from potentially responsible parties and as property valuations increase. Revenues in the other two TIFs will remain stable.
- ❑ Expenditures are primarily related to debt service and are determined by bond repayment schedules.
- ❑ Fund balances will be used for environmental remediation projects or to pay debt service from prior years.

SELF-SUPPORTING MUNICIPAL IMPROVEMENT DISTRICT (SSMID)...

- ❑ Revenues from property taxes on the downtown area are expected to increase 2% annually as valuations increase.
- ❑ No change in the taxing rate (mill levy) is assumed.
- ❑ Expenditures represent a pass through of all funds received by the City. The target fund balance is \$0.

CITY/COUNTY JOINT OPERATIONS...

- ❑ Planning and Flood Control operations are jointly funded by the City of Wichita and Sedgwick County.
- ❑ Revenues are contributed based on actual costs incurred, and fund balance is maintained for cash flow purposes.
- ❑ Increases in expenditure budgets are due to increased wage and benefit costs for employees.



SUMMARIES OF REVENUE & EXPENDITURES

ART MUSEUM BOARD...

- ❑ A transfer from the City's General Fund provides a consistent revenue stream for Art Museum operations.
- ❑ Expenditures of City monies are limited each year by the transfer amount.
- ❑ Fund balance is minimal but stable.

CEMETERY...

- ❑ Fund revenues are expected to increase as interest rates and fund balance increase. Expenditures for maintenance are stable, as no new acreage is anticipated.

AIRPORT...

- ❑ Passenger facility charges and rental revenues are projected to continue to increase due to passenger count increases of 8 – 10% annually.
- ❑ Revenue projections include possible interruption during building phases of the new terminal with temporary displacement of parking facilities.
- ❑ Expenditure increases are due primarily to wage and benefit costs.
- ❑ The fund is positioned to support the plans provided by the 20-year Master Plan as well as the Terminal Area Plan by supporting low debt and high cash balances.
- ❑ Fund cash balance is projected to increase in anticipation of future capital improvement projects.

GOLF COURSE OPERATIONS...

- ❑ A fee increase will help recover rising commodity prices and ensure fiscal soundness of the fund, while keeping a competitive price.
- ❑ Golf revenues are projected to increase by about 3% per year due to a rebounding economy and the City assuming clubhouse operations responsibility for additional courses.
- ❑ Expenditures increase through the planning period to fund operating costs for the additional clubhouses.
- ❑ Fund balance is expected to be maintained at 10% through the planning period.

TRANSIT...

- ❑ Expenditures increase by about 5% per year due to higher personal services and Federal operating costs.
- ❑ Fund balance at year-end 2005 is projected to be 16.5% of expenditures.
- ❑ New Federal operating and capital grants will provide the fund added flexibility.

SEWER UTILITY...

- ❑ Revenues are expected to increase due to growth and an adopted rate increase of 7%, in anticipation of higher debt associated with capital projects.
- ❑ Sewer debt payments increase primarily due to reconstruction/rehabilitation of existing sewers, treatment plant improvements and new plant construction.

- ❑ Fund balance will be maintained at levels consistent with the bonded debt coverage requirements.

WATER UTILITY...

- ❑ Revenues fluctuate greatly due to peak periods, however, high growth and rate structure help to maintain an operational balance.
- ❑ Revenues are expected to increase due to annual average growth of 1.4% in customer base and an adopted rate increase of 6%, in anticipation of higher debt associated with capital projects.
- ❑ Water debt payments increase due to continuing implementation of the Long-Term Water Supply Plan as well as support of growth and rehabilitation.
- ❑ Fund balance will be maintained at levels consistent with the bonded debt coverage requirements.

STORM WATER UTILITY...

- ❑ Revenues are projected to increase in 2006 and 2007 due to a rate increase, annexation and new construction.
- ❑ Expenditures are stable, but will increase in 2007 and beyond as bonds are issued on current projects.
- ❑ Fund balance will remain steady at 5% of expenditures.

INFORMATION TECHNOLOGY...

- ❑ Revenues will be consistent through the planning period, as rate reductions are offset by additional services.
- ❑ Expenditures increase as software maintenance agreements are centralized in IT, and due to an aggressive PC and hardware replacement program.
- ❑ Fund balance will be 5% of annual expenditures.

EQUIPMENT MOTOR POOL...

- ❑ Revenues increase as 1% per year rate increases are enacted in 2005 and 2006, and as additional vehicles are added to operating departments.
- ❑ Fund balance is expected to decrease to 5% of expenditures by year-end 2007. Fund balance is likely to continue to decrease unless additional changes are made to the fleet size, service expectations or vehicle rental rates.
- ❑ Expenditures fluctuate due to additional vehicle replacements and changes in the cost of critical materials such as motor fuels.

STATIONERY STORES...

- ❑ Expenditures, revenues and fund balances are not expected to change significantly in the planning period.

SELF INSURANCE...

- ❑ Self-insurance encompasses several areas: group life, group health, workers' compensation and general liability.
- ❑ Life assumes continuation of the current 50% City contribution. Revenues increase based on payroll growth.



SUMMARIES OF REVENUE & EXPENDITURES

Expenditure projections are based on contracted insurance costs.

- ❑ Health insurance assumes continuation of the current 20% employee contribution from 2,800 active and 450 retired City employees. Approximately 70% of participants are anticipated to select dependent coverage.
- ❑ Workers' compensation assumes revenues increasing annually based on increases in payrolls. Expenditures are projected to increase 5% annually, based on historic trends, mitigated by Safety Office efforts to reduce injuries.
- ❑ General liability includes a one-year moratorium on automobile premiums in 2005. Tort liability transfers are assumed at current levels, and losses are estimated to increase 3% annually.